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MACROECONOMIC POLICY QUESTIONS: TRADE AND DEVELOPMENT

Report of the Second Committee (Part III)*

Rapporteur: Mr. Pae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 95 (see A/52/626, para. 2). Action on sub-item (b) was taken at the 42nd, 47th and 48th meetings, on 17 November and 4 and 5 December 1997. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/52/SR.42, 47 and 48).

II. CONSIDERATION OF PROPOSALS

A. Draft resolution A/C.2/52/L.23 and Rev.1

2. At the 42nd meeting, on 17 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Economic measures as a means of political and economic coercion against developing countries" (A/C.2/52/L.23), which read:

"The General Assembly,

"Recalling the relevant principles set forth in the Charter of the United Nations,

* The report of the Committee on this item will be issued in five parts, under the symbol A/52/626 and Add.1-4.

"Reaffirming that no State may use or encourage the use of unilateral economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

"Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

"Reaffirming its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993 and 50/96 of 20 December 1995,

"Gravely concerned that the use of coercive unilateral economic measures adversely affects the economy and development efforts of developing countries and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

"1. Takes note of the report of the Secretary-General on economic measures as a means of political and economic coercion against developing countries;[1]

"2. Urges the international community to adopt urgent and effective measures to eliminate the use by some developed countries of unilateral coercive economic measures against developing countries which are not authorized by relevant organs of the United Nations or are inconsistent with the principles contained in the Charter of the United Nations, as a means of forcibly imposing the will of one State on another;

"3. Requests the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

"4. Also requests the Secretary-General to submit a report to the General Assembly at its fifty-fourth session on the implementation of the present resolution."

3. At the 47th meeting, on 4 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), informed the Committee of the results of the informal consultations held on the draft resolution and drew the Committee's attention to a revised draft resolution entitled "Unilateral economic measures as a means of political and economic coercion against developing countries" (A/C.2/52/L.23/Rev.1), submitted by the sponsors of draft resolution A/C.2/52/L.23.

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[1] A/52/459.

4. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.23/Rev.1 by a recorded vote of 86 to 1, with 45 abstentions (see para. 14, draft resolution I).[2] The voting was as follows:

In favour: Algeria, Antigua and Barbuda, Argentina, Bahamas, Bahrain, Bangladesh, Barbados, Belize, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Burundi, Chile, China, Colombia, Costa Rica, Cote d'Ivoire, Cuba, Democratic People's Republic of Korea, Ecuador, Egypt, El Salvador, Ethiopia, Ghana, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Jordan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Libyan Arab Jamahiriya, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Saint Lucia, Samoa, Saudi Arabia, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Thailand, Togo, United Arab Emirates, United Republic of Tanzania, Uruguay, Vanuatu, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

Against: United States of America.

Abstaining: Andorra, Armenia, Australia, Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Fiji, Finland, France, Georgia, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lithuania, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Romania, Russian Federation, San Marino, Slovakia, Spain, Sweden, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland.

5. Before the adoption of the draft resolution, the representative of the United States of America made a statement; after the adoption of the draft resolution, statements were made by the representatives of Luxembourg (on behalf of the States Members of the United Nations that are members of the European Union) and the United Republic of Tanzania (on behalf of the States Members of the United Nations that are members of the Group of 77 and China) (see A/C.2/52/SR.47).

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[2] Subsequently, the delegation of Fiji indicated that it had intended to vote in favour; the delegations of Benin, Mozambique, Rwanda and Tunisia indicated that, had they been present at the time of the voting, they would have voted in favour; and the delegations of Germany and Greece indicated that, had they been present at the time of the voting, they would have abstained.

B. Draft resolution A/C.2/52/L.24 and Rev.1

6. At the 42nd meeting, on 17 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/52/L.24), which read:

"The General Assembly,

"Recalling its resolutions 50/95 and 50/98 of 20 December 1995 and 51/167 of 16 December 1996, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

"Emphasizing the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system,

"Emphasizing also that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of the developing countries, and emphasizing further that each country is responsible for its own economic policies for sustainable development,

"Noting the agreed conclusions of the high-level segment of the substantive session of 1997 of the Economic and Social Council on the theme 'Fostering an enabling environment for development: financial flows, including capital flows, investment and trade';[1]

"Noting with satisfaction the outcome of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in April and May 1996,

"Noting also that the second Ministerial Conference of the World Trade Organization will take place at Geneva in May 1998,

I

"1. Reaffirms the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of the development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development;

"2. Reaffirms its political will and responsibility with respect to implementing the agreed commitments arrived at in the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in particular the document entitled 'A Partnership for Growth and

[1] A/52/3, chap. II, para. 5.

Development',[4] and, in this regard, welcomes the convening of a special high-level review meeting in 1998, which will contribute to the preparations for the tenth session of the Conference, to be held in Thailand in the year 2000;

"3. Welcomes the efforts by the Secretary-General of the Conference to build a lasting partnership for development with non-governmental actors, including through the 'Partners for Development' initiative, to be held at Lyon, France, in 1998;

"4. Welcomes the reports and the agreed conclusions of the Trade and Development Board on its fifteenth executive session[5] and its forty-fourth session,[6] and notes the important contribution that the Trade and Development Report, 1997, the World Investment Report and the Least Developed Countries: 1997 Report make to the work of the Board;

"5. Supports the efforts of the Secretary-General of the United Nations Conference on Trade and Development to implement fully the far-reaching reforms as embodied in the outcome of the ninth session of the United Nations Conference on Trade and Development;

"6. Notes that the United Nations Conference on Trade and Development is making increasing use of information technology to further enhance its effectiveness, and encourages the Conference to ensure that developing countries fully benefit from these new technologies;

"7. Notes the increasing application of electronic commerce in the conduct of international trade, and urges the United Nations system, in particular the United Nations Conference on Trade and Development, to assist developing countries, particularly the least developed countries, in this regard;

"8. Recognizes that the United Nations Conference on Trade and Development, having a comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries and countries with economies in transition into the international trading system, in a complementary manner with the World Trade Organization, and to promote development through trade and investment in cooperation and coordination with the International Trade Centre, relevant institutions of the United Nations system and other international organizations;

"9. Requests the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to

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[4] See A/51/308.

[5] A/52/15 (Part I).

[6] A/52/15 (Part II).

investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

"10. Invites the United Nations Conference on Trade and Development to continue, inter alia, to follow developments in the international trading system, in particular their implications for developing countries, and to identify new opportunities arising from the implementation of the Uruguay Round agreements, and to assist developing countries to participate effectively in multilateral trade negotiations;

II

"11. Notes the outcome of the inaugural Ministerial Conference of the World Trade Organization, held in Singapore in December 1996, including the review of the implementation of the Uruguay Round agreements and their built-in agenda, and welcomes the adoption by the Conference of the Plan of Action for the least developed countries;

"12. Recognizes the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment;

"13. Stresses the need for the full integration of developing countries, in particular the least developed countries and countries with economies in transition, into the world economy, through, inter alia, improved market access for their exports, in accordance with the multilateral trading agreements;

"14. Welcomes, in this regard, the recognition that the movement in the direction of greater openness for developing economies should be an orderly process backed by effective policies at the international as well as the national level and that these policies should entail a phased approach to integration tailored to the circumstances of individual countries;[7]

"15. Reiterates the need to continue trade liberalization in areas of export interest to developing countries, including through a substantial reduction of tariff and other barriers to trade, in particular non-tariff barriers, and also reiterates the need for the elimination of discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries, enhancing the competitiveness of their domestic industries and facilitating structural adjustment among developed economies;

"16. Stresses that all members of the World Trade Organization should implement their commitments in respect of the Uruguay Round agreements in a full, timely, faithful and continuous manner and that all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade

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[7] A/52/15 (Part II), chap. I, sect. B, agreed conclusions 440 (XLIV), para. 8.

Negotiations[8] should be applied effectively, taking into account specific difficulties and interests of developing countries, so as to maximize economic growth and the developmental benefits thereof for all, and in this respect reiterates the need for the full implementation of special and preferential treatment for developing countries in accordance with the Uruguay Round agreements;

"17. Emphasizes the importance of the strengthening of, and the attaining of greater universality by, the international trading system, and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for World Trade Organization member Governments and relevant international organizations to assist non-World Trade Organization members so as to facilitate their efforts with respect to accession in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations and for the United Nations Conference on Trade and Development to provide technical assistance, thereby contributing to their rapid and full integration into the multilateral trading system;

"18. Emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round;

"19. Deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by resorting to unilateral actions over and above those agreed in the Uruguay Round, and affirms that environmental and social concerns should not be used for protectionist purposes;

III

"20. Emphasizes the need for a balanced and integrated approach to environment, trade and development issues, and recognizes that Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development and that, in doing so, their environmental policies and measures with a potential trade impact are not to be used for protectionist purposes;

"21. Encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development, in particular, its special role in promoting the integration of trade, environment and development[9] by examining trade and environment issues from a development perspective;

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[8] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

[9] See resolution 50/95, para. 27.

IV

"22. Reaffirms the need to give priority to the problems facing the least developed countries, and reaffirms in particular that actions, as appropriate, should be taken to assist the least developed countries to maximize the potential opportunities and minimize possible difficulties arising from the Uruguay Round agreements;

"23. Urges Governments and the international organizations concerned to implement fully and expeditiously the Ministerial Declaration on Measures in Favour of the Least Developed Countries,[8] and to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform of the Programme on Least Developed and Net Food-importing Developing Countries,[8] as well as the recommendations adopted at the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s and at the ninth session of the United Nations Conference on Trade and Development, as they relate to trade and trade-related issues of the least developed countries;

"24. Requests Governments, organs, organizations and bodies of the United Nations system and intergovernmental and non-governmental organizations to take concrete measures to implement fully and as a matter of urgency the United Nations New Agenda for the Development of Africa in the 1990s, including the measures and recommendations agreed upon at its mid-term review, especially those related to trade and development;

"25. Invites the United Nations Conference on Trade and Development, the World Bank and the United Nations Development Programme to improve collaboration between the Conference's country-level programmes for least developed countries and the overall macroeconomic and sectoral policy dialogue in respect of those countries at the World Bank Consultative Group and United Nations Development Programme round tables;

"26. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, as well as to recognize that developing countries which provide transit services need adequate support in maintaining and improving their transit infrastructure;

"27. Invites preference-giving countries to continue to improve and renew their generalized system of preferences schemes in keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially the least developed countries, into the international trading system, and stresses that ways and means should be found to ensure more effective utilization of generalized system of preferences schemes, particularly by least developed countries;

"28. Notes the concern among the beneficiaries that the enlargement of the scope of the generalized system of preferences by linking eligibility

to non-trade considerations may detract value from its original principles, namely, non-discrimination, universality, burden sharing and non-reciprocity;

"29. Stresses the need for developing countries to participate fully and more effectively in rule-making and standard-setting activities in the international trading system, and stresses that Governments, as well as international organizations, should extend technical assistance to developing countries to enable them to participate more effectively;

"30. Stresses also the need to ensure effective follow-up, with the support of the international community, of the Declaration and Programme of Action of the South-South Conference on Trade, Investment and Finance, held at San José in January 1997, which recognized, inter alia, the importance of international trade as an unprecedented engine of growth for developing countries, the opportunities and challenges of globalization and liberalization, the need for complete integration of the developing countries into the world economy and the international trading system, and the need to address the continued marginalization of the least developed countries in the world economy;

"31. Requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-third session on recommendations for effective follow-up to the relevant sections of the agreed conclusions of the high-level segment of the substantive session of 1997 of the Economic and Social Council on the theme 'Fostering an enabling environment for development: financial flows, including capital flows, investment and trade';[3]

"32. Requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-third session on the implementation of the present resolution, including developments in the multilateral trading system."

7. At the 48th meeting, on 5 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), informed the Committee of the results of the informal consultations held on the draft resolution and drew the attention of the Committee to a revised draft resolution entitled "International trade and development" (A/C.2/52/L.24/Rev.1), submitted by the sponsors of draft resolution A/C.2/52/L.24 and Australia, Canada, Japan, Mexico, New Zealand, Norway and the Russian Federation. The United States of America subsequently joined in sponsoring the revised draft resolution.

8. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.24/Rev.1 (see para. 14, draft resolution II).

9. Before the adoption of the draft resolution, the representative of the United Republic of Tanzania made a statement on behalf of the States Members of the United Nations that are members of the Group of 77 and China (see A/C.2/52/SR.48).

C. Draft resolutions A/C.2/52/L.26 and L.39

10. At the 42nd meeting, on 17 November, the representative of the United Republic of Tanzania, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Specific actions related to the particular needs and problems of landlocked developing countries" (A/C.2/52/L.26), which read:

"The General Assembly,

"Recalling the provisions of its resolutions 44/214 of 22 December 1989, 46/212 of 20 December 1991, 48/169 of 21 December 1993 and 50/97 of 20 December 1995,

"Recognizing that the lack of territorial access to the sea, aggravated by remoteness and isolation from world markets and prohibitive transit costs and risks, impose serious constraints on the overall socio-economic development efforts of the landlocked developing countries,

"Also recognizing that 16 of the landlocked developing countries are also classified by the United Nations as least developed countries, and that their geographical situation is an added constraint on their overall ability to cope with the challenges of development,

"Further recognizing that most transit countries are themselves developing countries facing serious economic problems, including the lack of adequate infrastructure in the transport sector,

"Recalling that measures to deal with the transit problems of landlocked developing countries require closer and even more effective cooperation and collaboration between those countries and their transit neighbours,

"Noting the relevant part of the Agenda for Development[10] on the particular needs and problems of landlocked developing countries,

"Recognizing the important role played by bilateral cooperative arrangements and regional and subregional cooperation and integration in alleviating the transit problems of the landlocked developing countries and improving the transit transport systems in landlocked and transit developing countries,

"Also recognizing the importance of continuing the activities of the regional commissions to improve the transit transport infrastructure in the landlocked and transit developing countries,

"Noting the importance of strengthening the existing international support measures with a view to addressing the problems of landlocked developing countries,

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[10] See resolution 51/240, annex.

"1. Reaffirms the right of access of landlocked developing countries to and from the sea and to freedom of transit through the territory of transit States by all means of transport, in accordance with international law;

"2. Also reaffirms that transit developing countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked developing countries should in no way infringe upon their legitimate interests;

"3. Calls upon both the landlocked developing countries and their transit neighbours, in the spirit of South-South cooperation, including bilateral cooperation, to implement measures to strengthen further their cooperative and collaborative efforts in dealing with their transit issues;

"4. Appeals once again to all States, international organizations and financial institutions to implement, as a matter of urgency and priority, the specific actions related to the particular needs and problems of landlocked developing countries agreed in the resolutions and declarations adopted by the General Assembly and the outcomes of recent major United Nations conferences relevant to landlocked developing countries, as well as in the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries;[11]

"5. Notes the convening of the Third Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, which took place in New York from 18 to 20 June 1997, and its agreed conclusions and recommendations and proposals for future actions;

"6. Calls upon the landlocked developing countries and their transit neighbours to intensify their cooperative and collaborative efforts in dealing with the transit problems, inter alia, by improving transit transport infrastructure facilities and bilateral and subregional agreements to govern transit transport operations, developing joint ventures in the area of transit transport and strengthening institutions and human resources dealing with transit transport;

"7. Welcomes the convening of the first subregional consultative meeting of countries of North-East Asia on transit transport cooperation, which took place at Ulaanbaatar from 20 to 22 May 1997 under the auspices of the United Nations Development Programme special unit for technical cooperation among developing countries and the United Nations Conference on Trade and Development, and endorses the Ulaanbaatar memorandum of understanding adopted at that meeting;

"8. Requests the Secretary-General of the United Nations, in collaboration with donor countries and institutions, in particular the

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[11] See TD/B/42(1)/11-TD/B/LDC/AC.1/7.

United Nations Development Programme, the regional commissions and relevant subregional institutions, to continue his efforts to organize specific consultative groups, when requested by the landlocked and transit developing countries concerned, to identify priority areas for action at the national and subregional levels and to draw up action programmes;

"9. Emphasizes that assistance for the improvement of transit transport facilities and services should be integrated into the overall economic development strategies of the landlocked and transit developing countries, and that donor assistance should consequently take into account the requirements for the long-term restructuring of the economies of the landlocked developing countries;

"10. Invites donor countries and multilateral financial and development institutions to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, including alternative routes and improved communications;

"11. Invites the United Nations Development Programme to further promote, as appropriate, subregional, regional and interregional projects and programmes, to expand its support in the transport and communications sectors to the landlocked and transit developing countries, and to enhance its technical cooperation for development so as to promote national and collective self-reliance among them;

"12. Requests the Secretary-General of the United Nations to convene in 1999 in New York, within the overall level of resources for the biennium 1998-1999, another meeting of governmental experts from landlocked and transit developing countries, representatives of donor countries, and representatives of financial and development institutions, including relevant regional and subregional economic organizations and commissions, to review progress in the development of transit systems, including sectoral questions, as well as transit transportation costs, with a view to exploring the possibility of formulating necessary action-oriented measures;

"13. Requests the Secretary-General of the United Nations Conference on Trade and Development to seek voluntary contributions to ensure the participation of representatives of landlocked and transit developing countries and representatives of donor countries and financial and development institutions at the meeting referred to in paragraph 12 of the present resolution;

"14. Notes with appreciation the contribution of the United Nations Conference on Trade and Development to formulating international measures to deal with the special problems of the landlocked developing countries, and urges the Conference, inter alia, to keep under constant review the evolution of transit transport infrastructure facilities, institutions and services, monitor the implementation of agreed measures, including by making a case study, collaborate in all relevant initiatives, including

those of the private sector and non-governmental organizations, and serve as a focal point on cross-regional issues of landlocked developing countries;

"15. Invites the Secretary-General of the United Nations, in consultation with the Secretary-General of the United Nations Conference on Trade and Development, to take appropriate measures for the effective implementation of the activities called for in the present resolution, and to strengthen, including through maintaining the appropriate level of the staff, the capacity of the Conference's Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries in order to effectively implement its mandate to further support the landlocked developing countries;

"16. Welcomes the note by the Secretary-General and progress report of the secretariat of the United Nations Conference on Trade and Development on specific actions related to the particular needs and problems of landlocked developing countries,[12] and requests the Secretary-General of the United Nations, together with the Secretary-General of the United Nations Conference on Trade and Development, to prepare a report on the implementation of the present resolution and submit it to the Trade Development Board and to the General Assembly at its fifty-fourth session."

11. At the 48th meeting, on 5 December, the Vice-Chairman of the Committee, Mr. Adel Abdellatif (Egypt), introduced a draft resolution entitled "Specific actions related to the particular needs and problems of landlocked developing countries" (A/C.2/52/L.39), submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.26.

12. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.39 (see para. 14, draft resolution III).

13. In the light of the adoption of draft resolution A/C.2/52/L.39, draft resolution A/C.2/52/L.26 was withdrawn by its sponsors.

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

14. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

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[12] A/52/329.

DRAFT RESOLUTION I

Unilateral economic measures as a means of political and economic coercion against developing countries

The General Assembly,

Recalling the relevant principles set forth in the Charter of the United Nations,

Reaffirming the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States,[13] which states, inter alia, that no State may use or encourage the use of unilateral economic, political or any other type of measure to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

Recalling its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993 and 50/96 of 20 December 1995,

Gravely concerned that the use of unilateral coercive economic measures particularly adversely affects the economy and development efforts of developing countries and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

1. Takes note of the report of the Secretary-General;[14]

2. Urges the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries which are not authorized by relevant organs of the United Nations or are inconsistent with the principles of international law as set forth in the Charter of the United Nations, and which contravene the basic principles of the multilateral trading system;

3. Requests the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

4. Also requests the Secretary-General to submit a report to the General Assembly at its fifty-fourth session on the implementation of the present resolution.

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[13] Resolution 2625 (XXV), annex.

[14] A/52/459.

DRAFT RESOLUTION II

International trade and development

The General Assembly,

Recalling its resolutions 50/95 and 50/98 of 20 December 1995 and 51/167 of 16 December 1996, as well as relevant international agreements concerning trade, economic growth, development and interrelated issues,

Emphasizing the importance of an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system,

Emphasizing also that a favourable and conducive international economic and financial environment and a positive investment climate are necessary for the economic growth of the world economy, including the creation of employment, in particular for the growth and development of the developing countries, and emphasizing further that each country is responsible for its own economic policies for sustainable development,

Noting agreed conclusions 1997/1 of the Economic and Social Council on the theme "Fostering an enabling environment for development: financial flows, including capital flows, investment and trade",[15]

Noting also that the mid-term review of the outcome of the ninth session of the United Nations Conference on Trade and Development will be held in 1998,

Noting further that the second Ministerial Conference of the World Trade Organization will be held at Geneva in May 1998,

I

1. Reaffirms the role of the United Nations Conference on Trade and Development as the focal point within the United Nations for the integrated treatment of the development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development;

2. Also reaffirms its political will and responsibility with respect to implementing the agreed commitments reached at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in particular the document entitled "A Partnership for Growth and Development",[16] and, in this regard, welcomes the convening of a special high-level mid-term review meeting in 1998, which will contribute to the preparations for the tenth session of the Conference, to be held in Thailand in 2000;

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[15] A/52/3, chap. II.

[16] Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, Republic of South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

3. Welcomes the efforts by the Secretary-General of the Conference to build a lasting partnership for development with non-governmental actors, including through the "Partners for Development" initiative, to be held at Lyon, France, in 1998;

4. Takes note of the reports and the agreed conclusions of the Trade and Development Board on its fifteenth executive session[17] and its forty-fourth session,[18] and notes the important contribution that the Trade and Development Report, 1997, the World Investment Report and the Least Developed Countries: 1997 Report make to the work of the Board;

5. Notes that the Trade and Development Board recommended that the General Assembly change the title of the Intergovernmental Group of Experts on Restrictive Business Practices to "Intergovernmental Group of Experts on Competition Law and Policy" and convene a fourth United Nations Conference on the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, as well as a diplomatic conference to consider and adopt a convention on arrest of ships, endorses the aforementioned change of title of the Intergovernmental Group, and stresses that the two conferences, as agreed by the Board, should be absorbed within the budget level proposed by the Secretary-General for the biennium 1998-1999;

6. Expresses its support for the efforts of the Secretary-General of the United Nations Conference on Trade and Development to implement fully the far-reaching reforms embodied in the outcome of the ninth session of the United Nations Conference on Trade and Development;

7. Notes that the United Nations Conference on Trade and Development is making increasing use of information technology to further enhance its effectiveness, and urges the Conference to assist developing countries in fully benefiting from these new technologies;

8. Also notes the increasing importance and application of electronic commerce on international trade, and urges the United Nations Conference on Trade and Development, in cooperation with other relevant parts of the United Nations system, to assist developing countries, in particular the least developed countries and, in this regard, further notes the needs of the economies in transition;

9. Recognizes that the United Nations Conference on Trade and Development, having a comparative advantage in tackling trade-related development issues, should continue to facilitate the integration of developing countries and countries with economies in transition into the international trading system, in a complementary manner with the World Trade Organization, and to promote development through trade and investment, in cooperation and

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[17] A/52/15 (Part I). To be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

[18] A/52/15 (Part II). To be issued in final form as Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

coordination with the International Trade Centre, relevant institutions of the United Nations system and other international organizations;

10. Requests the United Nations Conference on Trade and Development to continue, on the basis of the outcome of its ninth session, to identify and analyse the implications for development of issues relevant to investment, taking into account the interests of developing countries and bearing in mind the work undertaken by other organizations;

11. Invites the United Nations Conference on Trade and Development to continue, inter alia, to follow developments in the international trading system, in particular their implications for developing countries, to identify new opportunities arising from the implementation of the Uruguay Round of multilateral trade negotiations agreements,[19] and to assist developing countries to participate effectively in multilateral trade negotiations;

II

12. Welcomes the outcome of the first Ministerial Conference of the World Trade Organization, held in Singapore in December 1996, and its adoption of the Plan of Action for the Least Developed Countries;

13. Also welcomes the announcements by some developed and developing countries, at the High-level Meeting on Integrated Initiatives for Least Developed Countries, of new or additional measures on market access for the least developed countries, and recommends that a full report on the outcome and follow-up to the Meeting be submitted to the Ministerial Conference of the World Trade Organization in May 1998;

14. Recognizes the importance of open regional economic integration in the creation of new opportunities for expanding trade and investment, and stresses the importance of those initiatives being in conformity with World Trade Organization rules, where applicable;

15. Stresses that, in the context of globalization and liberalization, there is need for the full integration of developing countries, in particular the least developed countries, and of economies in transition, into the world economy, through, inter alia, improved market access for their exports, in accordance with the multilateral trading agreements;

16. Also stresses in this context the need for various measures to be taken by the international community, including increased trade-related technical assistance and human and institutional capacity-building for strengthening the supply capacity of exportable goods and services of developing countries, in particular the least developed countries, with a view to their full integration into the world economy;

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[19] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (General Agreement on Tariffs and Trade (GATT) secretariat publication, Sales No. GATT/1994-7).

17. Welcomes, in this regard, the recognition that the movement in the direction of greater openness for developing economies should be an orderly process backed by effective policies at the international and national levels; and that those policies should entail a phased approach to integration, taking into account the circumstances of individual countries;[20]

18. Reiterates the importance of trade liberalization in developed and developing countries and the need to continue liberalization, particularly in areas of interest to developing countries, through, inter alia, a substantial reduction of tariff and other barriers, and also reiterates the need for the elimination of discriminatory and protectionist practices in international trade relations, which will have the effect of improving access for the exports of developing countries, enhancing the competitiveness of their domestic industries and facilitating structural adjustment among developed economies;

19. Stresses that all members of the World Trade Organization should implement their commitments in respect of the Uruguay Round agreements in a full, timely, faithful and continuous manner and that all provisions of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations[19] should be applied effectively, taking into account the specific interests of developing countries, so as to maximize economic growth and the developmental benefits for all and, in this respect, reiterates the need for the full implementation of special and preferential treatment for developing countries in accordance with the Uruguay Round agreements;

20. Emphasizes the importance of the strengthening of, and the attainment of greater universality by, the international trading system and of accelerating the process directed towards accession to the World Trade Organization of developing countries and countries with economies in transition, and emphasizes the necessity for Governments members of the World Trade Organization and relevant international organizations to assist non-members of the World Trade Organization so as to facilitate their efforts with respect to accession in an expeditious and transparent manner on the basis of World Trade Organization rights and obligations, and for the United Nations Conference on Trade and Development to provide technical assistance, within its mandate, thereby contributing to their rapid and full integration into the multilateral trading system;

21. Also emphasizes that the dispute settlement mechanism of the World Trade Organization is a key element with regard to the integrity and credibility of the multilateral trading system and the full realization of the benefits anticipated from the conclusion of the Uruguay Round of multilateral trade negotiations;

22. Deplores any attempt to bypass or undermine multilaterally agreed procedures on the conduct of international trade by resorting to unilateral actions over and above those agreed in the Uruguay Round, and affirms that environmental and social concerns should not be used for protectionist purposes;

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[20] A/52/15 (Part II), chap. I, sect. B, agreed conclusions 440 (XLIV), para. 8.

III

23. Emphasizes the need for a balanced and integrated approach to issues of environment, trade and development, and recognizes that the objective of Governments should be to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development and that, in doing so, their environmental policies and measures with a potential trade impact are not used for protectionist purposes;

24. Encourages the United Nations Conference on Trade and Development to continue its work on trade, environment and development, in particular its special role in promoting the integration of trade, environment and development,[21] by examining trade and environmental issues from a development perspective in cooperation with relevant bodies and international organizations, including the Commission on Sustainable Development, the United Nations Environment Programme and the World Trade Organization, as task manager for the Commission on Sustainable Development;

IV

25. Reaffirms the need to give priority to the problems facing the least developed countries, and reaffirms in particular that actions should be taken, as appropriate, to assist the least developed countries to maximize the potential opportunities and minimize the possible difficulties arising from the Uruguay Round agreements;

26. Urges Governments and concerned international organizations to implement fully and expeditiously the Ministerial Declaration on Measures in Favour of the Least Developed Countries,[19] and to apply effectively the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform of the Programme on Least Developed and Net Food-importing Developing Countries,[19] as well as the recommendations adopted at the High-level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s[22] and at the ninth session of the United Nations Conference on Trade and Development, as they relate to trade and trade-related issues of concern to the least developed countries;

27. Requests Governments, organs, organizations and bodies of the United Nations system and intergovernmental and non-governmental organizations to take concrete measures to implement fully and as a matter of urgency the United Nations New Agenda for the Development of Africa in the 1990s,[23] including the measures and recommendations agreed upon at its mid-term review, especially those related to trade and development;

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[21] See resolution 50/95, para. 27.

[22] See A/50/745.

[23] Resolution 46/151, annex, sect. II.

28. Welcomes the adoption of an integrated framework for trade-related technical assistance at the High-level Meeting on Integrated Initiatives for Least Developed Countries, convened by the World Trade Organization at Geneva in October 1997, and invites the United Nations Conference on Trade and Development to further enhance the effectiveness and efficiency of its trade-related technical assistance activities for the least developed countries in collaboration with the World Trade Organization, the International Trade Centre, the United Nations Development Programme, the World Bank and the International Monetary Fund;

29. Invites the United Nations Conference on Trade and Development, the World Bank and the United Nations Development Programme to improve collaboration between the country-level programmes of the Conference for the least developed countries and the overall macroeconomic and sectoral policy dialogue in respect of those countries at the World Bank Consultative Group and United Nations Development Programme round-table meetings, bearing in mind General Assembly resolution 50/120 of 20 December 1995;

30. Stresses the need to give special attention, within the context of international cooperation on trade and development issues, to the implementation of the many international development commitments geared to meeting the special development needs and problems of small island developing States and of landlocked developing States, and to recognize that developing countries that provide transit services need adequate support in maintaining and improving their transit infrastructure;

31. Invites preference-giving countries to continue to improve and renew their Generalized System of Preferences schemes in keeping with the post-Uruguay Round trading system and with the objective of integrating developing countries, especially the least developed countries, into the international trading system, and stresses that ways and means should be found to ensure more effective utilization of those schemes, particularly by the least developed countries;

32. Notes the concern among the beneficiaries that the enlargement of the scope of the Generalized System of Preferences, by linking eligibility to non-trade considerations, may detract value from its original principles, namely, non-discrimination, universality, burden sharing and non-reciprocity;

33. Stresses the need for increased and more effective participation by developing countries in rule-making and standard-setting activities in the context of the international trading system;

34. Welcomes the successful outcome of the South-South Conference on Trade, Investments and Finance, held at San José in January 1997, and stresses the need to ensure, by all concerned, with the support of the international community, effective follow-up of its Declaration and Programme of Action which recognized, inter alia, the importance of international trade as an unprecedented engine of growth for developing countries, the opportunities and challenges of globalization and liberalization, the need for the complete integration of the developing countries into the world economy and the international trading system, and the need to address the continued marginalization of the least developed countries in the world economy;

35. Requests the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-third session on recommendations for effective follow-up to the relevant sections of agreed conclusions 1997/1 of the Economic and Social Council;[33]

36. Also requests the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report orally to the General Assembly at its fifty-third session on the implementation of the present resolution, including developments in the multilateral trading system.

DRAFT RESOLUTION III

Specific actions related to the particular needs and problems of landlocked developing countries

The General Assembly,

Recalling the provisions of its resolutions 44/214 of 22 December 1989, 46/212 of 20 December 1991, 48/169 of 21 December 1993 and 50/97 of 20 December 1995 as well as the relevant parts of the Agenda for Development,[34]

Recognizing that the lack of territorial access to the sea, aggravated by remoteness and isolation from world markets, and prohibitive transit costs and risks impose serious constraints on the overall socio-economic development efforts of the landlocked developing countries,

Recognizing also that sixteen of the landlocked developing countries are also classified by the United Nations as least developed countries and that their geographical situation is an added constraint on their overall ability to cope with the challenges of development,

Recognizing further that most transit countries are themselves developing countries facing serious economic problems, including the lack of adequate infrastructure in the transport sector,

Recalling that measures to deal with the transit problems of landlocked developing countries require closer and even more effective cooperation and collaboration between those countries and their transit neighbours,

Noting the importance of strengthening, and in this respect recognizing the important role played by, bilateral cooperative arrangements and subregional cooperation and integration, as well as the activities of the regional commissions in alleviating the transit problems of the landlocked developing countries and improving the transit transport systems in landlocked and transit developing countries,

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[34] Resolution 51/240, annex.

Noting also the importance of strengthening the existing international support measures with a view to addressing further the problems of landlocked developing countries,

Noting further the holding of the Third Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, in New York from 18 to 20 June 1997,

Welcoming the First Subregional Consultative Meeting of countries of North-East Asia on transit transport cooperation, held at Ulaanbaatar from 20 to 22 May 1997 under the auspices of the United Nations Development Programme Special Unit for Technical Cooperation among Developing Countries and the United Nations Conference on Trade and Development,

1. Welcomes the note by the Secretary-General transmitting the progress report of the secretariat of the United Nations Conference on Trade and Development on specific actions related to the particular needs and problems of landlocked developing countries;[25]

2. Reaffirms the right of access of landlocked countries to and from the sea and freedom of transit through the territory of transit States by all means of transport, in accordance with international law;

3. Also reaffirms that transit developing countries, in the exercise of their full sovereignty over their territory, have the right to take all measures necessary to ensure that the rights and facilities provided for landlocked developing countries in no way infringe upon their legitimate interests;

4. Calls upon both the landlocked developing countries and their transit neighbours to implement measures to strengthen further their cooperative and collaborative efforts, including bilateral cooperation, in dealing with transit issues, inter alia, by improving the transit transport infrastructure facilities and bilateral and subregional agreements to govern transit transport operations, developing joint ventures in the area of transit transport and strengthening institutions and human resources dealing with transit transport, and, in this respect, notes that South-South cooperation also plays an important role in this field;

5. Appeals once again to all States, international organizations and financial institutions to implement, as a matter of urgency and priority, the specific actions related to the particular needs and problems of landlocked developing countries agreed in the resolutions and declarations adopted by the General Assembly and the outcomes of recent major United Nations conferences relevant to landlocked developing countries, as well as in the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community;[26]

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[25] A/52/329, annex.

[26] TD/B/42(1)/11-TD/B/LDC/AC.1/7, annex I.

6. Takes note of the agreed conclusions and recommendations and proposals for future action adopted at the Third Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions;

7. Welcomes the Ulaanbaatar memorandum of understanding adopted at the First Subregional Consultative Meeting of countries of North-East Asia on transit transport cooperation;

8. Also welcomes the continuing efforts being made by the Secretary-General of the United Nations Conference on Trade and Development, in collaboration with donor countries and institutions, in particular the United Nations Development Programme, the regional commissions and relevant subregional institutions, to organize specific consultative groups, as appropriate, when requested by the landlocked and transit developing countries concerned, to identify priority areas for action at the national and subregional levels and draw up action programmes;

9. Emphasizes that assistance for the improvement of transit transport facilities and services should be integrated into the overall economic development strategies of the landlocked and transit developing countries, and that donor assistance should consequently take into account the requirements for the long-term restructuring of the economies of the landlocked developing countries;

10. Invites donor countries, the United Nations Development Programme and multilateral financial institutions to provide landlocked and transit developing countries with appropriate financial and technical assistance in the form of grants or concessional loans for the construction, maintenance and improvement of their transport, storage and other transit-related facilities, including alternative routes and improved communications, and to promote subregional, regional and interregional projects and programmes;

11. Requests the Secretary-General of the United Nations to convene in 1999, within the overall level of resources for the biennium 1998-1999, another meeting of governmental experts from landlocked and transit developing countries and representatives of donor countries and financial and development institutions, including relevant regional and subregional economic organizations and commissions, to review progress in the development of transit systems, including sectoral aspects, as well as transit transportation costs, with a view to exploring the possibility of formulating necessary action-oriented measures;

12. Requests the Secretary-General of the United Nations Conference on Trade and Development to seek voluntary contributions to ensure the participation of representatives of landlocked and transit developing countries, donor countries, and financial and development institutions at the meeting referred to in paragraph 11 above;

13. Notes with appreciation the contribution of the United Nations Conference on Trade and Development to formulating international measures to deal with the special problems of the landlocked developing countries, and urges the Conference, inter alia, to keep under constant review the evolution of

transit transport infrastructure facilities, institutions and services, monitor the implementation of agreed measures, including by means of a case study as necessary, collaborate in all relevant initiatives, including those of the private sector and non-governmental organizations, and serve as a focal point for cross-regional issues of landlocked developing countries;

14. Invites the Secretary-General of the United Nations, in consultation with the Secretary-General of the United Nations Conference on Trade and Development, to take appropriate measures for the effective implementation of the activities called for in the present resolution, and to staff and equip adequately, in accordance with the outcome of the ninth session of the Conference, the Conference Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries so as to allow it to implement effectively its mandate to continue to support the landlocked developing countries;

15. Requests the Secretary-General of the United Nations, together with the Secretary-General of the United Nations Conference on Trade and Development, to prepare a report on the implementation of the present resolution and submit it to the Trade and Development Board and to the General Assembly at its fifty-fourth session.